

**UNIFIED SCHOOL DISTRICT NO. 432,
VICTORIA, KANSAS**

**FINANCIAL STATEMENT
AND INDEPENDENT AUDITORS' REPORT**

For the Year Ended June 30, 2014

**UNIFIED SCHOOL DISTRICT NO. 432
VICTORIA, KANSAS**

For the Year Ended June 30, 2014

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VICTORIA, KANSAS**

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GUDENKAUF & MALONE, INC.

Shareholder

Pamela Gudenkauf, CPA

Certified Public Accountants

639 Main Street, P.O. Box 631

Russell, Kansas 67665

(785) 483-6220, Fax (785) 483-6221

email: accountants@gmbinc.net

Shareholder

James Malone, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 432
Victoria, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 432, Victoria, Kansas, a Municipality, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with the standards generally accepted in the United States of America, and the Kanas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 432, Victoria, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 432 as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 432 as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2014 fund summary statement of regulatory basis of receipts, expenditures, and unencumbered cash balances (basis financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts, expenditures-agency funds (Schedule 1,2, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the 2014 basis financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note A.

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unqualified opinion dated October 10, 2013. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedure, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note A.


Gudenkauf & Malone, Inc.

November 5, 2014

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2014

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	\$ -	\$ 2,021,474	\$ 2,021,474	\$ -	\$ 180	\$ 180
Local Option	45,608	-	663,304	708,912	-	-	-
Special Purpose Fund							
Capital outlay	242,790	-	320,417	246,300	316,907	13,316	330,223
Driver training	20	-	-	-	20	-	20
Food service	7,540	-	202,581	194,828	15,293	-	15,293
Inservise education	-	-	1,000	1,000	-	-	-
Special education	16,901	-	319,101	315,711	20,291	-	20,291
Vocational education	-	-	105,852	105,852	-	-	-
Recreation fund	3,131	-	39,943	41,693	1,381	-	1,381
At-Risk	-	-	91,728	91,728	-	-	-
KPERs	-	-	164,450	164,450	-	-	-
Gift fund-playground	3,347	-	851	1,005	3,193	-	3,193
Title I, Title II	-	-	28,476	28,476	-	-	-
REAP	-	-	19,033	19,033	-	-	-
Contingency Reserve	-	-	8,746	-	8,746	-	8,746
Bond Proceeds	-	-	-	-	-	-	-
Athletics	8,114	-	38,277	36,195	10,196	-	10,196
School projects	12,157	-	17,746	20,253	9,650	-	9,650
Bond and Interest							
Bond and Interest	719,110	-	409,733	422,701	706,142	-	706,142
Total Reporting Entity (Excluding Agency Funds)	\$ 1,058,718	\$ -	\$ 4,452,712	\$ 4,419,611	\$ 1,091,819	\$ 13,496	\$ 1,105,315
						Money market	\$ 943,928
						Checking	162,876
						Petty Cash	4,500
						Certificate of Deposit	15,000
						Total Cash	1,126,304
						Agency Funds Per Statement 4	(20,989)
						Total Reporting Entity (Excluding Agency Funds)	\$ 1,105,315

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 432 is a municipal corporation governed by an elected seven-member board. The District has oversight responsibility for other governmental entities (related municipal entities) since the other entities are considered to be controlled by, or dependent on, the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing boards.

The District's financial statement includes only the accounts of the primary government and not its related municipal entity.

The following related municipal entity has not been examined by certified public accountants.

Recreation Commission. USD No. 432 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, student activity funds, etc.).

Basis of Presentation and Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG (Kansas Municipal Accounting and Auditing Guide) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligation to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Gift Fund – Playground, Title I, Title II, REAP, Bond Proceeds, Contingency Reserve, Athletics, and School Projects

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, Unified School District No. 432 records an expenditure in the reimbursing fund and a reduction of expenditure in the reimbursed fund, following the authoritative guidance provided under KMAAG basis accounting.

Property Tax

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the school district and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statute

USD 432 has no cash or budget statute violations.

NOTE C – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods," when required coverage is 50%. The District has not designated any "peak periods." All deposits were legally secured at June 30, 2014.

At June 30, 2014, the District's carrying amount of deposits was \$1,126,304 and the bank balance was \$1,278,440. The difference between the carrying amount and the bank balance is outstanding checks or deposits. The bank balance was held by 2 banks resulting in a concentration of credit risk. Of the bank balance, \$432,685 was covered by federal depository insurance, \$845,755 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE C – DEPOSITS AND INVESTMENTS - CONTINUED

Custodial credit risk- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D – IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$87,637 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE E – INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Contingency Reserve	K.S.A. 72-6428	8,746
General Fund	At Risk Fund	K.S.A. 72-6414a	91,728
General Fund	Food Service	K.S.A. 72-5119	26,600
General Fund	In-service Education	K.S.A. 72-5119	1,000
General Fund	Special Education	K.S.A. 72-6420	199,750
Local Option	Vocational Education	K.S.A. 72-6421	94,852
Local Option	Special Education	K.S.A. 72-6420	118,472
Local Option	Food Service	K.S.A. 72-5119	20,870

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS/
COMMITMENTS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS/
COMMITMENTS - CONTINUED

Termination Benefits.

Unified School District No. 432 has implemented a plan for eligible employees of the District to receive benefits upon making an election to take early retirement. Early retirement is entirely voluntary and at the discretion of an eligible employee.

An employee is eligible for early retirement if the following conditions are met:

1. The employee is currently a full-time employee of the District
2. The employee is eligible for full retirement benefits under KPERS and is not more than 65 years of age.
3. The employee has fifteen years or more of employment service with the District.
4. The employee has twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

It shall be the responsibility of the employee to provide all the facts and information necessary to prove eligibility for early retirement. An employee may apply for early retirement by giving written notice to the Superintendent of Schools on or before the first day of April preceding the anticipated retirement date. Such written notice shall include the following information:

1. A statement of the applicant's desire to take early retirement.
2. The anticipated date of retirement and their date of birth.
3. The number of years applicant has been employed by the school district.
4. The total number of years of service credit recognized by KPERS

Failure to request early retirement by April 1 shall not exclude the candidate, if the Board of Education chooses to give approval, even though the deadline may not have been met.

Following final action on any application by the Board of Education for early retirement, the Superintendent shall notify the applicant in writing of the final disposition.

For certified employees, the amount of payment to the retiree who is 58 years of age or older shall be the equivalent of \$415 per month until the participant reached the age of 62 years and then \$150 per month from the age 62 to 65 years of age.

If any certified employee chooses to retire before 58 years of age the payment will be figured in the following manner: Take the amount a person could receive from 58 to

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS /
COMMITMENTS - CONTINUED

62 years of age (\$19,920) and divide this amount by the number of months from the eligible retirement date until they reach the age of 62 years old. Payment from age 62 to 65 years old will be \$150 a month.

For classified employees, the amount of payment to the retiree who is 58 years old or older shall be the equivalent of \$275 per month until the participant reaches the age of 62 years and then \$100 per month from the age 62 to 65 years of age.

If any classified employee chooses to retire before 58 years of age the payments will be figured in the following manner: Take the amount a person could receive from 58 to 62 years of age (\$13,200) and divide this amount by the number of months from the eligible retirement date until they reach the age of 62 years old. Payment from age 62 to 65 years old will be \$100 a month.

If death should occur to the participant during this agreement, the Board of Education will honor said agreement to the participant's spouse only for months that would have remained until the participant would have reached the age of 65.

The early retirement benefit shall be payable by the school district in the following manner: The benefit may be applied toward a membership in the school district's health insurance policy, or it may be taken in cash on a monthly basis, or it may be taken as a combination of the two. If any of the payment is to be made in cash, the payment shall be made each month or in a lump sum each year; for one year at a time in the discretion of the Board of Education.

Early retirement benefits paid for the year ending June 30, 2014, were \$13,127. The following is a schedule by years of future payments under the District's early retirement plan for the years ending June 30:

2015	10,263
2016	8,412
2017	4,456
2018	4,456
Thereafter	<u>9,485</u>
Total	\$ 37,072

Compensated Absences

All employees of the District will be paid up to \$38 per day for any unused sick leave days upon retirement, resignation, death, or other reasons for terminating employment. The employee may take this remuneration as: (1) a lump sum, (2) as

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS -
CONTINUED

monthly payments on a health insurance policy carried by the District at the rate of no more than a single premium, if retiring, or (3) it may be applied to the employee's salary in the last year of employment, if retiring, provided the employee has declared their intent by June 1 preceding their last year. In the event the remuneration has not been paid out by the District by the time the employee reaches age 65, the employee will be given the remainder in a lump sum payment. In the event that options (2) or (3) above are selected, this policy must meet all legal requirements at the time of separation.

The maximum amount of remuneration one can receive is listed below:

<u>Years of Service</u>	<u>Amount</u>
1 to 10	\$ 13.50 per day
11 to 15	18.75 per day
16 to 20	24.00 per day
21 to 25	29.25 per day
26 to 30	34.50 per day
31 +	38.00 per day

All employees of the District receive 12 days of sick leave each year. The certified employees, principals and the superintendent may accumulate the sick leave to 125 days. The custodians, clerk, and secretaries may accumulate sick leave to 70 days. The cooks and paraprofessionals may accumulate sick leave to 50 days.

The twelve month employees of the District, including Central Office secretaries, custodians, and the school superintendent, are entitled to paid vacations

The District had employee eligible for compensated absence pay who have accumulated a total of 2,133 unused sick days and 115 days of unused vacation days as of and for the year ended June 30, 2014. The estimated liability of unused sick leave at June 30, 2014 is \$52,158 and the estimated liability for unused vacation at June 30, 2014 is \$12,764.

Operating Lease Agreements

The District leased three copiers from ESSDACK. The lease is non-cancelable with a five-year term. The monthly lease payments are \$172 each. The future minimum rental payments for each year will be \$6,192. The total minimum lease amount will be \$30,960. The remaining payments that the District is responsible for as of June 30, 2014 are \$15,799.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE G – DEFINED BENEFIT PENSION PLAN (KPERS)

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members for January – December 2013 then 5% for January – December 2014 and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

NOTE H – CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government.

The District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2012 to 2013 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the district.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

NOTE I – RELATED PARTY TRANSACTIONS

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations. The following are not required to be reported, but are presented for information only.

2014

Hays Medical Center
Troy Schippers, Treasurer
spouse is an employee

\$3,750

NOTE J – SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statements of subsequent events occurring through November 5, 2014 which is the date at which the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE K- LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2014, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2008	5.80%	11/15/2008	\$ 3,500,000	9/1/2019	2,710,000	\$ -	\$ 325,000	2,385,000	\$ 97,701
Capital Leases:									
Apple Computer, Inc.	5.72%	6/10/2010	\$ 235,956	8/1/2014	56,920	-	56,920	-	2,838
2010 Blue Bird Bus	4.40%	6/8/2009	\$ 153,518	6/8/2015	46,627	-	22,811	23,816	2,052
Total Long-Term Debt					<u>\$ 2,813,547</u>	<u>\$ -</u>	<u>\$ 404,731</u>	<u>\$ 2,408,816</u>	<u>\$ 102,591</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year					Total
	2015	2016	2017	2018	2019	2020
PRINCIPAL						
G.O. Bonds	\$ 350,000	\$ 375,000	\$ 400,000	\$ 410,000	\$ 415,000	\$ 435,000
2010 Blue Bird Bus	<u>23,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PRINCIPAL	<u>373,815</u>	<u>375,000</u>	<u>400,000</u>	<u>410,000</u>	<u>415,000</u>	<u>435,000</u>
INTEREST						
G.O. Bonds	85,045	71,732	57,383	41,788	25,596	8,700
2010 Blue Bird Bus	<u>1,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL INTEREST	<u>86,093</u>	<u>71,732</u>	<u>57,383</u>	<u>41,788</u>	<u>25,596</u>	<u>8,700</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 459,908</u>	<u>\$ 446,732</u>	<u>\$ 457,383</u>	<u>\$ 451,788</u>	<u>\$ 440,596</u>	<u>\$ 443,700</u>
						<u>\$ 2,700,107</u>

**UNIFIED SCHOOL DISTRICT NO. 432
VICTORIA, KANSAS**

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the year ended June 30, 2014

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
General Fund						
General	\$ 2,039,513	\$ (18,038)	\$ -	\$ 2,021,475	\$ 2,021,474	\$ (1)
Local option	710,376	-	-	710,376	708,912	(1,464)
Special Purpose Fund						
Capital outlay	400,000	-	-	400,000	246,300	(153,700)
Food service	207,326	-	-	207,326	194,828	(12,498)
Inservice education	1,000	-	-	1,000	1,000	-
Special education	348,281	-	-	348,281	315,711	(32,570)
Vocational education	108,506	-	-	108,506	105,852	(2,654)
Recreation	41,693	-	-	41,693	41,693	-
At Risk	91,728	-	-	91,728	91,728	-
KPERS	176,097	-	-	176,097	164,450	(11,647)
Bond and Interest						
Bond and Interest	422,702	-	-	422,702	422,701	(1)
Total budgeted funds	<u>\$ 4,547,222</u>	<u>\$ (18,038)</u>	<u>\$ -</u>	<u>\$ 4,529,184</u>	<u>\$ 4,314,649</u>	<u>\$ (214,535)</u>

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

GENERAL FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
General property taxes				
Ad valorem property taxes	\$ 837,803	\$ 700,662	\$ 749,743	\$ (49,081)
Delinquent tax	13,489	15,050	13,257	1,793
Intergovernmental revenues				
State equalization aid	844,085	1,075,186	1,052,591	22,595
Mineral production tax	50,595	34,290	-	34,290
Special education aid	211,792	196,286	212,408	(16,122)
Total cash receipts	1,957,764	2,021,474	\$ 2,027,999	\$ (6,525)
Expenditures and transfers subject to legal max budget				
Instruction				
Certified salaries	786,763	771,980	826,560	(54,580)
Early Retirement	11,594	10,572	-	10,572
Non-certified salaries	37,102	40,744	48,937	(8,193)
Employee insurance	203,575	205,788	209,758	(3,970)
Social security	60,378	60,572	61,200	(628)
Other employee benefit	6,303	5,036	8,205	(3,169)
Purchased professional/technical services	4,024	4,070	5,000	(930)
Tuition	1,465	2,726	-	2,726
General supplies (teaching)	2,051	4,326	8,500	(4,174)
Textbooks	-	804	-	804
Student activities	10,316	24,847	18,000	6,847
Other	7,445	642	1,000	(358)
Total instruction	1,131,016	1,132,107	1,187,160	(55,053)
After school				
Non-certified salaries	9,183	9,629	-	9,629
Social security	691	726	-	726
Unemployment compensation	9	9	-	9
Other	(11,027)	(10,791)	-	(10,791)
Total after school	(1,144)	(427)	-	(427)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

GENERAL FUND - CONTINUED

	2013	2014		Variance Over (Under)
		Actual	Budget	
Expenditures and transfers - continued				
Student support services				
Certified salaries	42,655	44,645	43,855	790
Non-Certified salaries	31,571	32,400	32,171	229
Employee insurance	16,527	16,004	17,147	(1,143)
Social security	5,308	5,520	5,525	(5)
Other employee benefit	403	424	468	(44)
Purchased professional/technical services	442	923	600	323
Supplies	791	2,023	1,000	1,023
Total student support services	97,697	101,939	100,766	1,173
Instruction support staff				
Certified salaries	18,004	6,014	6,067	(53)
Employee insurance	4,893	1,394	-	1,394
Social security	1,160	400	387	13
Other employee benefit	200	187	67	120
Books/periodicals	105	1,059	1,000	59
Audiovisual/instructional software	3,885	3,875	4,000	(125)
Miscellaneous supplies	3,402	2,535	3,500	(965)
Total instruction support staff	31,649	15,464	15,021	443
General administration				
Certified salaries	84,480	87,014	84,480	2,534
Non-certified salaries	23,436	24,329	24,664	(335)
Employee insurance	25,478	24,396	21,499	2,897
Social security	7,791	8,047	7,815	232
Other employee benefit	603	636	621	15
Purchased professional/technical services	9,063	9,883	9,500	383
Insurance	7,817	23,544	20,000	3,544
Communications	3,297	3,018	4,000	(982)
Other purchased services	2,271	3,295	3,000	295
Supplies	1,492	1,681	1,500	181
Other	6,026	8,649	6,500	2,149
Total general administration	171,754	194,492	183,579	10,913

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

GENERAL FUND - CONTINUED

	2013	2014		Variance Over (Under)
		Actual	Budget	
Expenditures and transfers - continued				
School administration				
Certified salaries	133,123	139,483	135,267	4,216
Early Retirement	3,864	1,800	-	1,800
Non-certified salaries	41,092	42,835	42,297	538
Employee insurance	45,508	32,752	39,863	(7,111)
Social security	12,669	13,478	12,585	893
Other employee benefit	940	1,006	920	86
Communications	2,788	3,412	4,500	(1,088)
Other purchased services	3,696	5,503	2,000	3,503
Supplies	371	651	500	151
Total school administration	244,051	240,920	237,932	2,988
Transfers				
Food service fund	5,000	26,600	17,355	9,245
Professional Development	1,000	1,000	1,000	-
At-Risk fund	58,721	91,728	84,292	7,436
Contingency Reserve	-	8,746	-	8,746
Special education fund	211,791	199,750	212,408	(12,658)
Total transfers	276,512	327,824	315,055	12,769
Preschool				
Certified	16,836	17,550	-	17,550
Social security	1,288	1,343	-	1,343
Other employee benefits	16	17	-	17
Other	(11,911)	(9,755)	-	(9,755)
Total preschool	6,229	9,155	-	9,155
Total expenditures and transfers subject to legal max budget	1,957,764	2,021,474	2,039,513	(18,039)
Adjustment to comply with legal max	-	-	(18,038)	(18,038)
Legal general fund budget	\$ 1,957,764	\$ 2,021,474	\$ 2,021,475	\$ (1)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

LOCAL OPTION FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Ad valorem tax	\$ 610,625	\$ 616,829	\$ 13,206	\$ 603,623
Delinquent tax	10,790	11,270	9,652	1,618
Motor vehicle tax	41,731	32,366	24,487	7,879
Recreational vehicle tax	1,163	902	636	266
16/20M vehicle tax	2,222	1,937	-	1,937
Total cash receipts	666,531	663,304	\$ 47,981	\$ 615,323
Expenditures and transfers				
Instructional				
Certified Salaries	26,599	3,666	6,650	(2,984)
Social security	1,930	277	-	277
Unemployment	24	3	-	3
Insurance	2,983	-	-	-
Other	2,783	4,643	-	4,643
Tuition	10	-	-	-
Total instruction	34,329	8,589	6,650	1,939
General administration				
Insurance	11,238	-	-	-
Other	5,213	-	-	-
Total general administration	16,451	-	-	-
Operation and maintenance				
Non-certified	150,347	161,446	155,584	5,862
Insurance	47,094	45,127	48,487	(3,360)
Social security	11,127	11,873	12,327	(454)
Other employee benefits	7,114	8,119	7,584	535
Water/sewer	8,983	10,111	10,000	111
Snow Plowing	2,220	1,235	-	1,235
Heating	28,904	35,812	30,000	5,812
Cleaning	1,773	1,955	4,000	(2,045)
Repairs	6,593	19,712	7,000	12,712
Rental services	1,035	1,411	2,000	(589)
Other purchased services	6,349	4,756	1,500	3,256
Supplies	17,294	19,783	18,000	1,783
Electricity	51,165	52,082	55,000	(2,918)
Motor fuel	1,345	1,511	2,500	(989)
Total operation and maintenance	341,343	374,933	353,982	20,951

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

LOCAL OPTION FUND - CONTINUED

	2013	2014		Variance Over (Under)
		Actual	Budget	
Expenditures and transfers - continued				
Vehicle Operating Services and Maintenance				
Non-certified	9,426	11,336	9,700	1,636
Social security	681	852	712	140
Other employee benefits	435	280	440	(160)
Mileage in lieu of transportation	43,278	50,869	50,000	869
Insurance	2,591	3,383	3,500	(117)
Motor fuel	15,064	15,359	20,000	(4,641)
Other	6,053	8,611	5,000	3,611
Other purchased services	-	376	1,500	(1,124)
Supplies	266	130	500	(370)
Total vehicle operating services	77,794	91,196	91,352	(156)
Transfers				
Food service	27,117	20,870	30,914	(10,044)
Special education	110,444	118,472	118,972	(500)
Vocational education	72,177	94,852	108,506	(13,654)
Total transfers	209,738	234,194	258,392	(24,198)
Total expenditures and transfers subject to legal max budget	679,655	708,912	710,376	(1,464)
Adjustment to comply with legal max	-	-	-	-
Legal local option fund budget	679,655	708,912	710,376	(1,464)
Receipts over expenditures	(13,124)	(45,608)		
Unencumbered cash, beginning	58,732	45,608		
Prior-year cancelled encumbrances	-	-		
Unencumbered cash, ending	\$ 45,608	\$ -		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

CAPITAL OUTLAY FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
General property tax				
Ad valorem property tax	\$ 343,573	\$ 295,165	\$ 340,861	\$ (45,696)
Delinquent tax	5,399	6,010	8,139	(2,129)
Motor vehicle tax	17,647	17,001	19,319	(2,318)
Recreational tax	492	472	503	(31)
16-20M Vehicle tax	871	959	-	959
Other				
Interest	400	380	-	380
Other	5,550	430	-	430
Total cash receipts	<u>373,932</u>	<u>320,417</u>	<u>\$ 368,822</u>	<u>\$ (48,405)</u>
Expenditures and transfers				
Instruction	207,825	109,591	150,000	(40,409)
Instructional support staff	17,345	21,266	20,000	1,266
General administration	1,632	-	30,000	(30,000)
Student support staff	13,072	5,671	15,000	(9,329)
Operations and maintenance	122,726	19,944	100,000	(80,056)
Equipment & Buses	58,294	62,561	75,000	(12,439)
Other Support Services	-	2,000	-	2,000
Site Improvement Services	17,212	21,130	10,000	11,130
Repair and remodeling building	8,247	4,137	-	4,137
Custodians	2,055	-	-	-
Social Security	8	-	-	-
Total expenditures and transfers	<u>448,416</u>	<u>246,300</u>	<u>\$ 400,000</u>	<u>\$ (153,700)</u>
Receipts over (under) expenditures	(74,484)	74,117		
Unencumbered cash, beginning	<u>317,274</u>	<u>242,790</u>		
Unencumbered cash, ending	<u>\$ 242,790</u>	<u>\$ 316,907</u>		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

DRIVER TRAINING FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
State aid	\$ -	\$ -	\$ -	\$ -
Total cash receipts	-	-	\$ -	\$ -
Expenditures				
Instruction				
Salaries	-	-	-	-
Social security	-	-	-	-
Other employee benefit	-	-	-	-
Total instruction	-	-	-	-
Vehicle operation and maintenance				
Motor fuel	-	-	-	-
Other	-	-	-	-
Total vehicle operation/maintenance	-	-	-	-
Total expenditures	-	-	\$ -	\$ -
Receipts (under) expenditures	-	-		
Unencumbered cash, beginning	20	20		
Unencumbered cash, ending	\$ 20	\$ 20		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****FOOD SERVICE FUND**

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Intergovernmental revenues				
State aid	\$ 1,836	\$ 2,001	\$ 1,872	\$ 129
Federal aid	53,934	62,019	54,059	7,960
Other revenues				
Lunch/breakfast - students	79,136	83,562	90,945	(7,383)
Lunch sales - adults	6,630	5,029	4,640	389
Misc Receipts	-	2,500	-	2,500
Transfer from general fund	5,000	26,600	17,355	9,245
Transfer from local option	27,117	20,870	30,914	(10,044)
Total cash receipts	173,653	202,581	\$ 199,785	\$ 2,796
Expenditures				
Food service operation				
Salaries	54,122	57,357	55,842	1,515
Employee insurance	19,770	22,559	22,535	24
Social security	3,724	3,971	3,864	107
Other employee benefits	1,549	1,989	1,973	16
Other purchased services	3,323	2,431	2,000	431
Food and milk	93,122	100,872	115,612	(14,740)
Miscellaneous supplies	4,422	4,609	4,500	109
Other	1,260	1,040	1,000	40
Total food service operation	181,292	194,828	207,326	(12,498)
Total expenditures	181,292	194,828	\$ 207,326	\$ (12,498)
Receipts over (under) expenditures	(7,639)	7,753		
Unencumbered cash, beginning	15,179	7,540		
Unencumbered cash, ending	\$ 7,540	\$ 15,293		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

INSERVICE EDUCATION FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Transfer from general fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Total cash receipts	1,000	1,000	\$ 1,000	\$ -
Expenditures				
Support services				
Purchased professional/technical services	882	956	500	456
Other purchased services	118	44	500	(456)
Total expenditures	1,000	1,000	\$ 1,000	\$ -
Receipts over expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

SPECIAL EDUCATION FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Other Revenue	\$ 918	\$ 879	\$ 2,000	\$ (1,121)
Transfer from local option fund	110,444	-	-	-
Transfer from Supplemental	-	118,472	118,972	(500)
Transfer from general fund	211,792	199,750	212,408	(12,658)
Total cash receipts	323,154	319,101	\$ 333,380	\$ (14,279)
Expenditures				
Instruction				
Payment to Special Ed. Co-op	316,210	308,222	339,837	(31,615)
Total instruction	316,210	308,222	339,837	(31,615)
Vehicle operating service				
Salaries	4,180	4,313	4,300	13
Social security	288	299	290	9
Other employee benefits	4	4	4	-
Insurance	414	444	450	(6)
Telephone	81	83	-	83
Other purchased services	163	108	250	(142)
Motor fuel	2,026	1,983	2,500	(517)
Supplies	382	-	400	(400)
Other	250	255	250	5
Total vehicle operating service	7,788	7,489	8,444	(955)
Total expenditures	323,998	315,711	\$ 348,281	\$ (32,570)
Receipts (under) expenditures	(844)	3,390		
Unencumbered cash, beginning	17,745	16,901		
Unencumbered cash, ending	\$ 16,901	\$ 20,291		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

VOCATIONAL EDUCATION FUND

		2014		Variance
	2013	Actual	Budget	Over (Under)
Cash receipts				
State of Kansas	\$ -	\$ 11,000	\$ -	\$ 11,000
Transfer from local option fund	72,177	94,852	108,506	(13,654)
Total cash receipts	72,177	105,852	\$ 108,506	\$ (2,654)
Expenditures				
Instruction				
Certified salaries	58,378	82,780	82,290	490
Employee insurance	7,939	9,847	17,783	(7,936)
Social security	4,375	6,017	5,875	142
Other employee benefits	56	75	58	17
Purchased Prof & Tech Services	-	5,185	-	5,185
General supplies	1,429	1,948	2,500	(552)
Total expenditures	72,177	105,852	\$ 108,506	\$ (2,654)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

RECREATION FUND

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
General property taxes				
Ad valorem tax	\$ 42,947	\$ 36,896	\$ 39,279	\$ (2,383)
Delinquent tax	681	751	679	72
Motor vehicle tax	2,202	2,118	1,604	514
Recreation tax	61	59	42	17
16/20M vehicle tax	109	119	-	119
Total cash receipts	46,000	39,943	\$ 41,604	\$ (1,661)
Expenditures				
Recreation commission appropriation	45,204	41,693	\$ 41,693	\$ -
Receipts over (under) expenditures	796	(1,750)		
Unencumbered cash, beginning	2,335	3,131		
Unencumbered cash, ending	\$ 3,131	\$ 1,381		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

AT RISK FUND (K-12)

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Interest on Idle Funds	\$ -	\$ -	\$ -	\$ -
Transfer from general fund	58,721	91,728	84,292	7,436
Total cash receipts	58,721	91,728	84,292	7,436
Expenditures				
Certified salaries	34,821	51,257	42,305	8,952
Non-certified salaries	9,955	18,543	20,381	(1,838)
Social security	3,117	3,899	3,361	538
Other employee benefits	10,828	15,588	13,609	1,979
Other purchased services	-	2,441	12,072	(9,631)
Tuition	-	-	-	-
Total expenditures	58,721	91,728	91,728	-
Receipts over expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****KPERS**

	2013	2014		Variance Over (Under)
		Actual	Budget	
Cash receipts				
KPERS	\$ 150,510	\$ 164,450	\$ 176,097	\$ (11,647)
Total cash receipts	\$ 150,510	\$ 164,450	\$ 176,097	\$ (11,647)
Cash expenditures				
Employee benefits	150,510	164,450	176,097	(11,647)
Total expenditures	150,510	164,450	176,097	(11,647)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

GIFT FUND - PLAYGROUND

	2013 Actual	2014 Actual
Cash receipts		
Revenue from local sources	\$ 1,554	\$ 851
Cash expenditures		
Other Purchased Services	970	300
Textbooks	1,680	-
Property	5,140	-
Supplies	2,268	-
Other	185	705
Total expenditures	10,243	1,005
Receipts over (under) expenditures	(8,689)	(154)
Unencumbered cash, beginning	12,036	3,347
Unencumbered cash, ending	\$ 3,347	\$ 3,193

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****TITLE I, TITLE II**

	2013 Actual	2014 Actual
Cash receipts		
Federal aid	\$ 31,536	\$ 28,476
Total Receipts	<u>31,536</u>	<u>28,476</u>
Expenditures		
Instruction		
Certified salaries	20,535	20,124
Non-certified salaries	4,877	6,006
Employee insurance	3,746	30
Social security	1,889	1,907
Other employee benefits	139	106
Purchased Prof & Tech Services	<u>350</u>	<u>303</u>
Total instruction	<u>31,536</u>	<u>28,476</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

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Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

RURAL SCHOOL ACHIEVEMENT PROGRAM (REAP)

	2013 Actual	2014 Actual
Cash receipts		
Federal aid	\$ 20,638	\$ 19,033
Expenditures		
Instruction support staff		
Certified Salaries	4,683	4,600
Social Security	353	349
Employee Benefits	4	4
Purchased Professional and Tech Services	1,983	1,737
Supplies	-	2,006
Other	4,600	1,230
Books and periodicals	8,585	9,107
Purchased professional services	430	-
Other	-	-
Total expenditures	20,638	19,033
Receipts over expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	\$ -	\$ -

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****Contingency Reserve**

	2013 Actual	2014 Actual
Cash receipts		
Transfer from General Fund	\$ -	\$ 8,746
Expenditures		
Transfer Out	-	-
Other	-	-
Total Expenditures	-	-
Receipts over expenditures	-	8,746
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	\$ -	\$ 8,746

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****BOND PROCEEDS**

	2013 Actual	2014 Actual
Cash receipts		
FEMA Grant	\$ -	\$ -
Other Source Grants	-	-
Interest	-	-
Total cash receipts	-	-
Expenditures		
Property/Equipment		-
Services	57,905	-
Total expenditures	57,905	-
Receipts over expenditures	(57,905)	-
Unencumbered cash, beginning	57,905	-
Unencumbered cash, ending	\$ -	\$ -

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2014****With comparative actual amounts for the year ended June 30, 2013****ATHLETICS**

	2013 Actual	2014 Actual
Cash receipts		
High school	\$ 35,557	\$ 38,277
Total cash receipts	<u>35,557</u>	<u>38,277</u>
Expenditures		
High school	<u>35,455</u>	<u>36,195</u>
Total expenditures	<u>35,455</u>	<u>36,195</u>
Receipts over expenditures	102	2,082
Unencumbered cash, beginning	<u>8,012</u>	<u>8,114</u>
Unencumbered cash, ending	<u>\$ 8,114</u>	<u>\$ 10,196</u>

SCHOOL PROJECTS

	2013 Actual	2014 Actual
Cash receipts		
Grade school	\$ 18,471	\$ 17,746
Total cash receipts	<u>18,471</u>	<u>17,746</u>
Expenditures		
Grade school	<u>22,373</u>	<u>20,253</u>
Total expenditures	<u>22,373</u>	<u>20,253</u>
Receipts over expenditures	(3,902)	(2,507)
Unencumbered cash, beginning	<u>16,059</u>	<u>12,157</u>
Unencumbered cash, ending	<u>\$ 12,157</u>	<u>\$ 9,650</u>

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2014

With comparative actual amounts for the year ended June 30, 2013

BOND AND INTEREST

		2014		Variance
	2013	Actual	Budget	Over (Under)
Cash receipts				
Ad Valorem and Delinquent Tax	\$ 472,192	\$ 371,575	\$ 394,033	\$ (22,458)
Delinquent Tax	8,597	8,220	7,467	753
Motor Vehicle Tax	31,602	27,489	20,765	6,724
16/20 Motor Vehicle	1,584	1,679	-	1,679
Rec Vehicle Tax	880	770	540	230
Total Receipts	514,855	409,733	422,805	(13,072)
Expenditures				
Principal	315,000	325,000	325,000	-
Interest	109,307	97,701	97,702	(1)
Total Expenditures	424,307	422,701	422,702	(1)
Receipts over expenditures	90,548	(12,968)		
Unencumbered cash, beginning	628,562	719,110		
Unencumbered cash, ending	\$ 719,110	\$ 706,142		

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2014

STUDENT ORGANIZATION FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>High School</u>				
Dance team	\$ 424	\$ -	\$ 424	\$ -
Pep club	2,869	2,434	3,330	1,973
Skills USA	1,166	5,651	5,958	859
National honor society	426	900	1,088	238
FBLA	127	95	95	127
V-Club	463	293	337	419
Football	-	-	-	-
Cross Country	1,316	122	443	995
Girls Basketball	97	1,703	1,680	120
Boys Basketball	-	270	216	54
Student council	1,387	15,189	11,358	5,218
FCCLA club	4,955	37,966	37,654	5,267
SADD	1,160	180	263	1,077
Project prom	447	-	149	298
Interest/Web	294	4	-	298
DVD	1,350	950	626	1,674
Track Grant	837	825	1,064	598
Project	1,774	-	-	1,774
	<u>19,092</u>	<u>66,582</u>	<u>64,685</u>	<u>20,989</u>
Total student organization funds	\$ 19,092	\$ 66,582	\$ 64,685	\$ 20,989

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Unencumbered cash July 1, 2013	Revenues	Expenditures	Unencumbered cash June 30, 2014
<u>U.S. Department of Agriculture</u> Passed through Kansas State Board of Education:						
National School lunch program	10.555	3530-3500	-	\$ 44,344	\$ 44,344	\$ -
School breakfast program	10.553	3530-3500 3529-3490	-	9,965 7,710	9,965 7,710	-
Total food assistance			-	62,019	62,019	-
<u>U.S. Department of Education</u> Passed through Kansas State Board of Education:						
Title I	84.010	3532-3520	-	16,018	16,018	-
Title II	84.367	3526-3860	-	12,458	12,458	-
Youth Risk Behavior	93.900	3592-3070	-	100	100	-
Total all funds			\$ -	\$ 90,595	\$ 90,595	\$ -

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2014

General State Aid	\$ 1,030,602
School food assistance	2,001
KPERS	164,450
Special Revenue State Aid	63,532
Special education services	<u>177,423</u>
Total state financial assistance	<u>\$ 1,438,008</u>